



P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

New Mexico Energy, Minerals, and Natural Resources Department
Oil Conservation Division District 11
811 South First Street
Artesia, New Mexico 88210
Attention: Mr. Tim Gum

June 15, 2000

Re: Indian Hills Unit # 24

Dear Mr. Gum,

Marathon Oil Company has applied for a Federal Permit to Drill for the Indian Hills Unit # 24 with a proposed SHL of 685' FNL & 2073' FEL, Sec. 28, T-21-S, R-24-E and a BHL of 2139' FSL & 1764' FEL, Sec. 21, T-21-S, R-24-E, Eddy Co. N.M. The proposed well is an Indian Basin Upper Penn Associated test, that will consist of a 320 acre, East-half, proration unit. This well shall have a producing interval entirely within the producing area of the East half of Section 21. The surface hole location was selected out of consideration of the BLM's Archaeological issues, as well as cut and fill concerns of the East Indian Basin. We are proposing to drill this well on the existing pad of the Indian Hills Unit # 17. The proposed surface hole will cause less surface damage to the aesthetic concerns of the nearby Scenic By-Way, N.M. 137.

Marathon Oil Company respectfully request District approval under the New Mexico Oil Conservation Division rule 111-C to drill the aforementioned well to a standard bottom hole location. Please note the attached C-102, and directional drilling survey describing our intent.

Should you have any questions regarding this proposal, please contact me at (800) 351-1417.

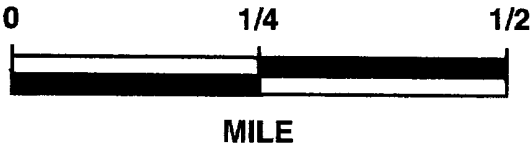
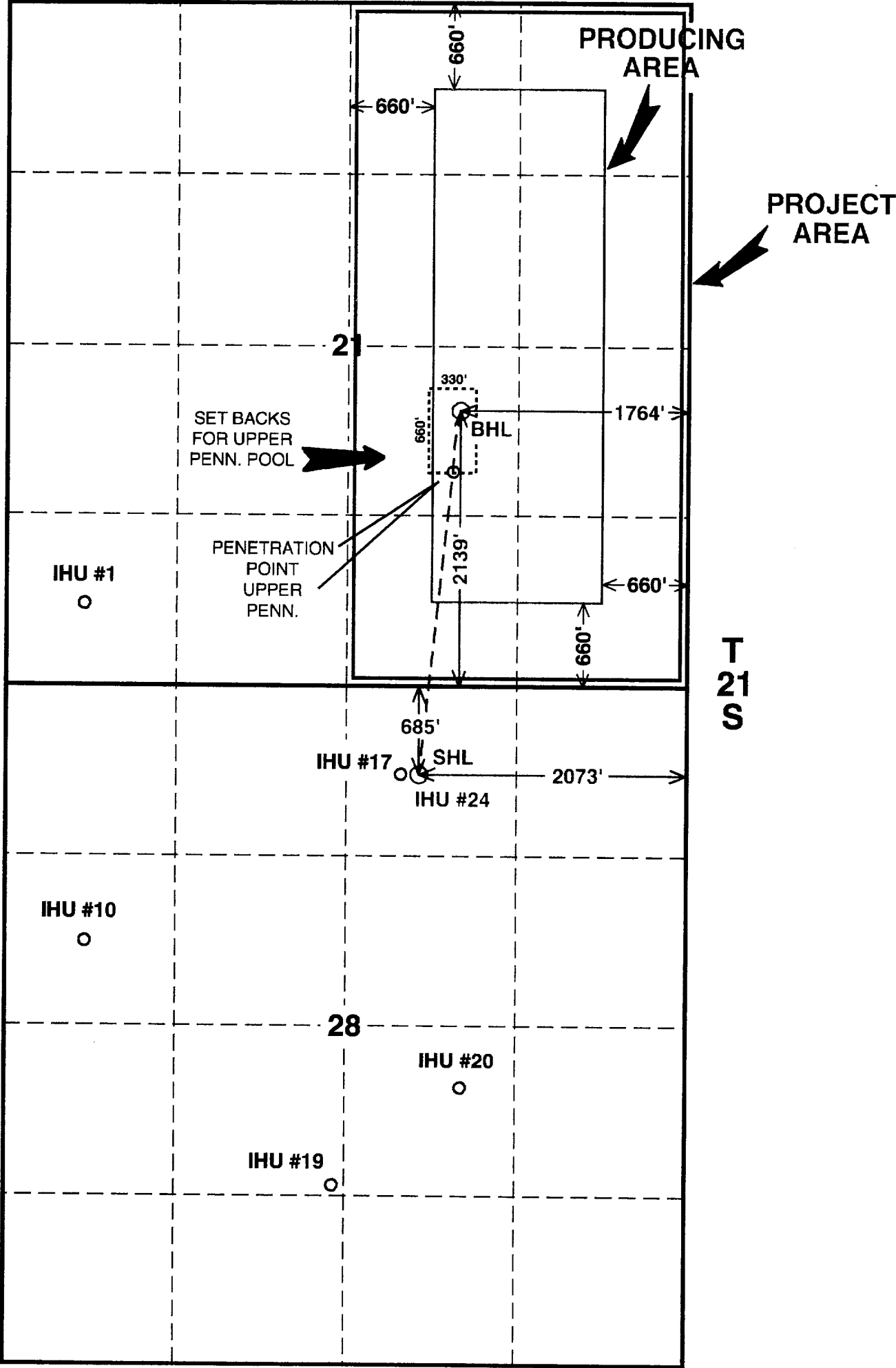
Yours truly,

A handwritten signature in cursive script that reads 'Jerry Fletcher'.

Jerry Fletcher



R 24 E



MARATHON OIL COMPANY
MID-CONTINENT REGION

INDIAN HILLS UNIT #24

EDDY COUNTY, NEW MEXICO

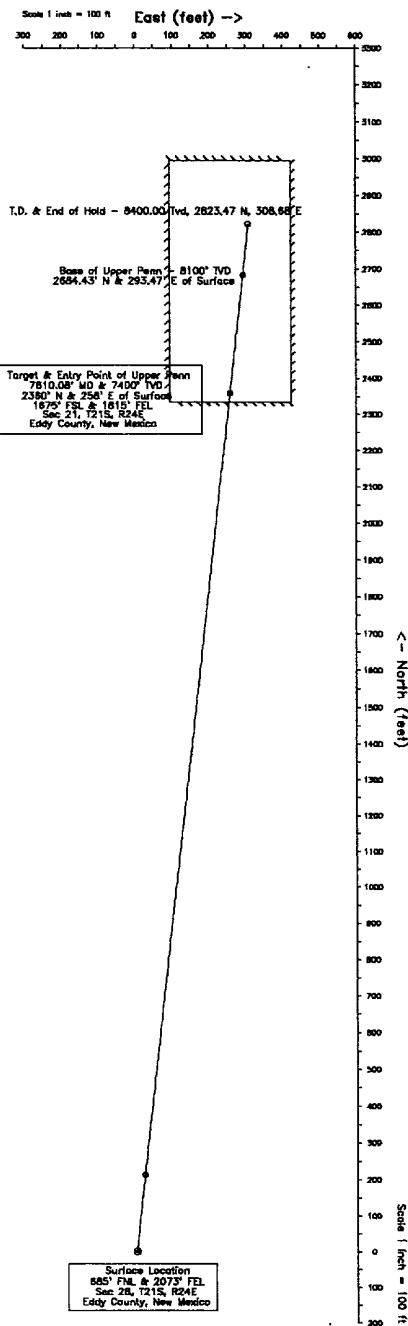
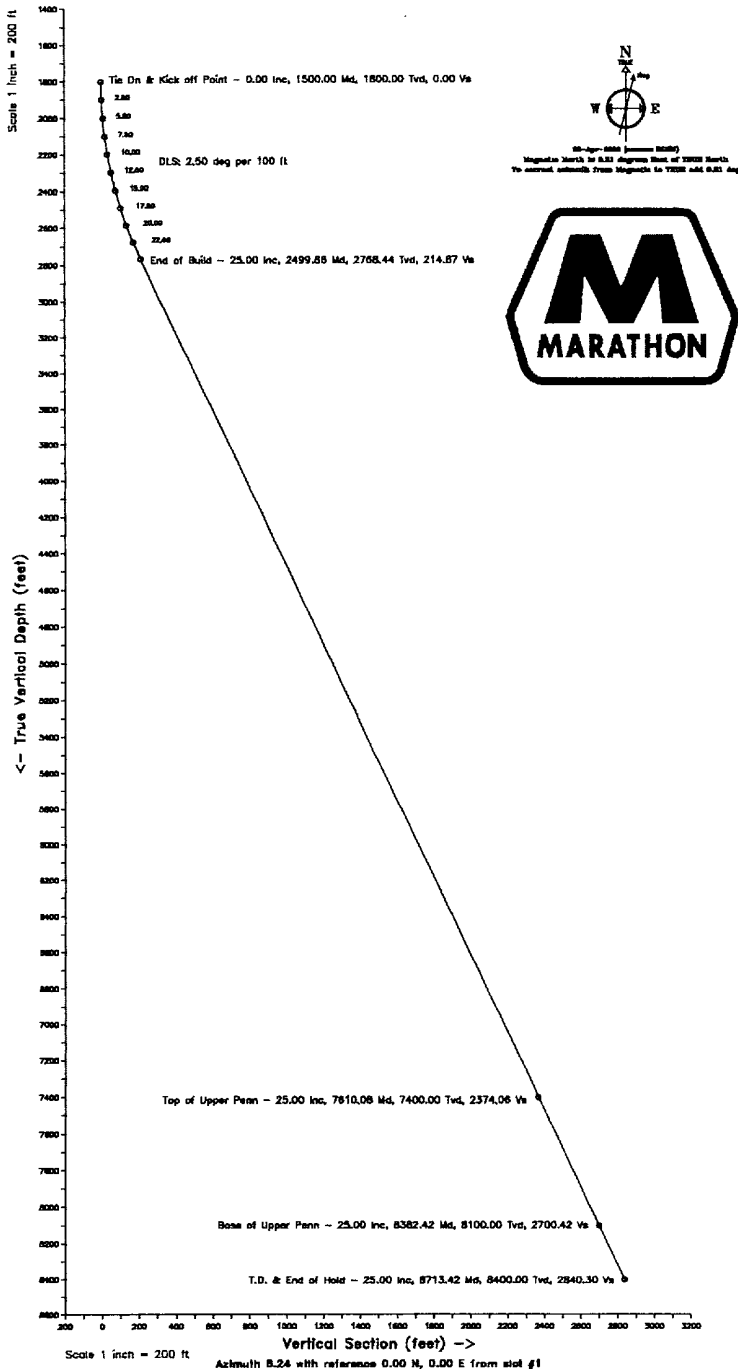
MARATHON OIL COMPANY

Structure : Indian Unit No.24 Slot : slot #1
Field : Indian Location : EDDY COUNTY, NM.

Approved By: _____
Date: _____

----- WELL PROFILE DATA -----

Point	MD	Inc	Dir	TVD	North	East	V. Sect	Deg/100
KOP	1500.00	0.00	6.24	1800.00	0.00	0.00	0.00	0.00
End of Build	2499.86	25.00	6.24	2768.44	213.40	23.28	214.87	2.50
Target	7610.06	25.00	6.24	7400.00	2360.00	256.00	2374.06	0.00
End of Hold	8382.42	25.00	6.24	8100.00	2684.43	293.47	2700.42	0.00
T.D. & End of Hold	8713.42	25.00	6.24	8400.00	2823.47	308.68	2840.30	0.00



BAKER HUGHES
INTEQ

Created by berke
Date plotted : 15-Jun-2000
Plot Reference is 2.5 Deg BUE
Coordinates are in feet reference slot #1.
True Vertical Depths are reference rotary table.

— Baker Hughes INTEQ —

MARATHON OIL COMPANY
Indian Hills Unit No.24

slot #1
Indian Basin
EDDY COUNTY, NM.

P R O P O S A L L I S T I N G

by
Baker Hughes INTEQ

Your ref : 2.5 Deg BUR
Our ref : prop2485
License :

Date printed : 15-Jun-2000
Date created : 25-Apr-2000
Last revised : 15-Jun-2000

Field is centred on n32 30 0.000,w104 30 0
Structure is centred on n32 30 0.000,w104 30 0

Slot location is n32 30 0.000,w104 30 0.000
Slot Grid coordinates are N 545652.918, E 448616.515
Slot local coordinates are 0.00 N 0.00 E

Projection type: mercator - New Mexico East (3001), Spheroid: Clarke - 1866

Reference North is True North

MARATHON OIL COMPANY

Indian Hills Unit No.24,slot #1
Indian Basin,EDDY COUNTY, NM.

PROPOSAL LISTING Page 1
Your ref : 2.5 Deg BUR
Last revised : 15-Jun-2000

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Depth	R C O O	E C T A	N D I	A N G	U L A	R E S	Dogleg Deg/100ft	Vert Sect
1500.00	0.00	6.24	1800.00	0.00	N			0.00	E	0.00	0.00
1600.00	2.50	6.24	1899.97	2.17	N			0.24	E	2.50	2.18
1700.00	5.00	6.24	1999.74	8.67	N			0.95	E	2.50	8.72
1800.00	7.50	6.24	2099.14	19.49	N			2.13	E	2.50	19.61
1900.00	10.00	6.24	2197.97	34.61	N			3.78	E	2.50	34.82
2000.00	12.50	6.24	2296.04	54.00	N			5.90	E	2.50	54.33
2100.00	15.00	6.24	2393.17	77.63	N			8.49	E	2.50	78.09
2200.00	17.50	6.24	2489.16	105.44	N			11.53	E	2.50	106.07
2300.00	20.00	6.24	2583.85	137.40	N			15.02	E	2.50	138.21
2400.00	22.50	6.24	2677.04	173.42	N			18.96	E	2.50	174.46
2499.86	25.00	6.24	2768.44	213.40	N			23.29	E	2.50	214.67
2500.00	25.00	6.24	2768.57	213.46	N			23.29	E	0.00	214.73
3000.00	25.00	6.24	3221.74	423.49	N			46.26	E	0.00	426.01
3500.00	25.00	6.24	3674.90	633.52	N			69.22	E	0.00	637.29
4000.00	25.00	6.24	4128.07	843.55	N			92.19	E	0.00	848.57
4500.00	25.00	6.24	4581.24	1053.58	N			115.15	E	0.00	1059.86
5000.00	25.00	6.24	5034.40	1263.61	N			138.12	E	0.00	1271.14
5500.00	25.00	6.24	5487.57	1473.64	N			161.08	E	0.00	1482.42
6000.00	25.00	6.24	5940.74	1683.67	N			184.05	E	0.00	1693.70
6500.00	25.00	6.24	6393.90	1893.70	N			207.01	E	0.00	1904.98
7000.00	25.00	6.24	6847.07	2103.73	N			229.98	E	0.00	2116.26
7500.00	25.00	6.24	7300.24	2313.76	N			252.94	E	0.00	2327.55
7610.08	25.00	6.24	7400.00	2360.00	N			258.00	E	0.00	2374.06
8000.00	25.00	6.24	7753.40	2523.79	N			275.91	E	0.00	2538.83
8382.42	25.00	6.24	8100.00	2684.43	N			293.47	E	0.00	2700.42

Top of Upper Penn
Base of Upper Penn

All data is in feet unless otherwise stated.

Coordinates from slot #1 and TVD from rotary table.

Bottom hole distance is 2840.30 on azimuth 6.24 degrees from wellhead.

Vertical section is from N 0.00 E 0.00 on azimuth 6.24 degrees.

Calculation uses the minimum curvature method.

Presented by Baker Hughes INTEQ

MARATHON OIL COMPANY

Indian Hills Unit No.24,slot #1
Indian Basin,EDDY COUNTY, NM.

PROPOSAL LISTING Page 2
Your ref : 2.5 Deg BUR
Last revised : 15-Jun-2000

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Depth	R E C T A N G U L A R C O O R D I N A T E S	Dogleg Deg/100ft	Vert Sect
8500.00	25.00	6.24	8206.57	2733.82 N	0.00	2750.11
8713.42	25.00	6.24	8400.00	2823.47 N	0.00	2840.30

All data is in feet unless otherwise stated.
Coordinates from slot #1 and TVD from rotary table.
Bottom hole distance is 2840.30 on azimuth 6.24 degrees from wellhead.
Vertical section is from N 0.00 E 0.00 on azimuth 6.24 degrees.
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Presented by Baker Hughes INTEQ

MARATHON OIL COMPANY
Indian Hills Unit No.24,slot #1
Indian Basin,EDDY COUNTY, NM.

PROPOSAL LISTING Page 3
Your ref : 2.5 Deg BUR
Last revised : 15-Jun-2000

Comments in wellpath
=====

MD	TVD	Rectangular Coords.	Comment
7610.08	7400.00	2360.00 N 258.00 E	Top of Upper Penn
8382.42	8100.00	2684.43 N 293.47 E	Base of Upper Penn

Casing positions in string 'A'
=====

Top MD	Top TVD	Rectangular Coords.	Bot MD	Bot TVD	Rectangular Coords.	Casing
n/a	1800.00	0.00N	n/a	1800.00	0.00N	0.00E 13.375

Targets associated with this wellpath
=====

Target name	Geographic Location	T.V.D.	Rectangular Coordinates	Revised
		7400.00	2360.00N 258.00E	15-Jun-2000

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	33685	Indian Basin Upper Penn. Associated
Property Code	Property Name	Well Number
	INDIAN HILLS UNIT	24
OGRID No.	Operator Name	Elevation
14021	MARATHON OIL COMPANY	3658

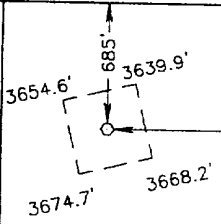
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	28	21 S	24 E		685	NORTH	2073	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	21	21 S	24 E		2139	South	1764	East	Eddy
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

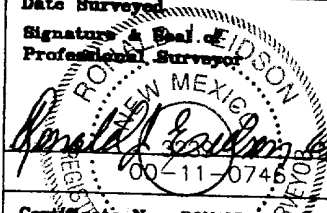

Signature
Jerry Fletcher
Printed Name
Engineer Tech.
Title
6-15-00
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

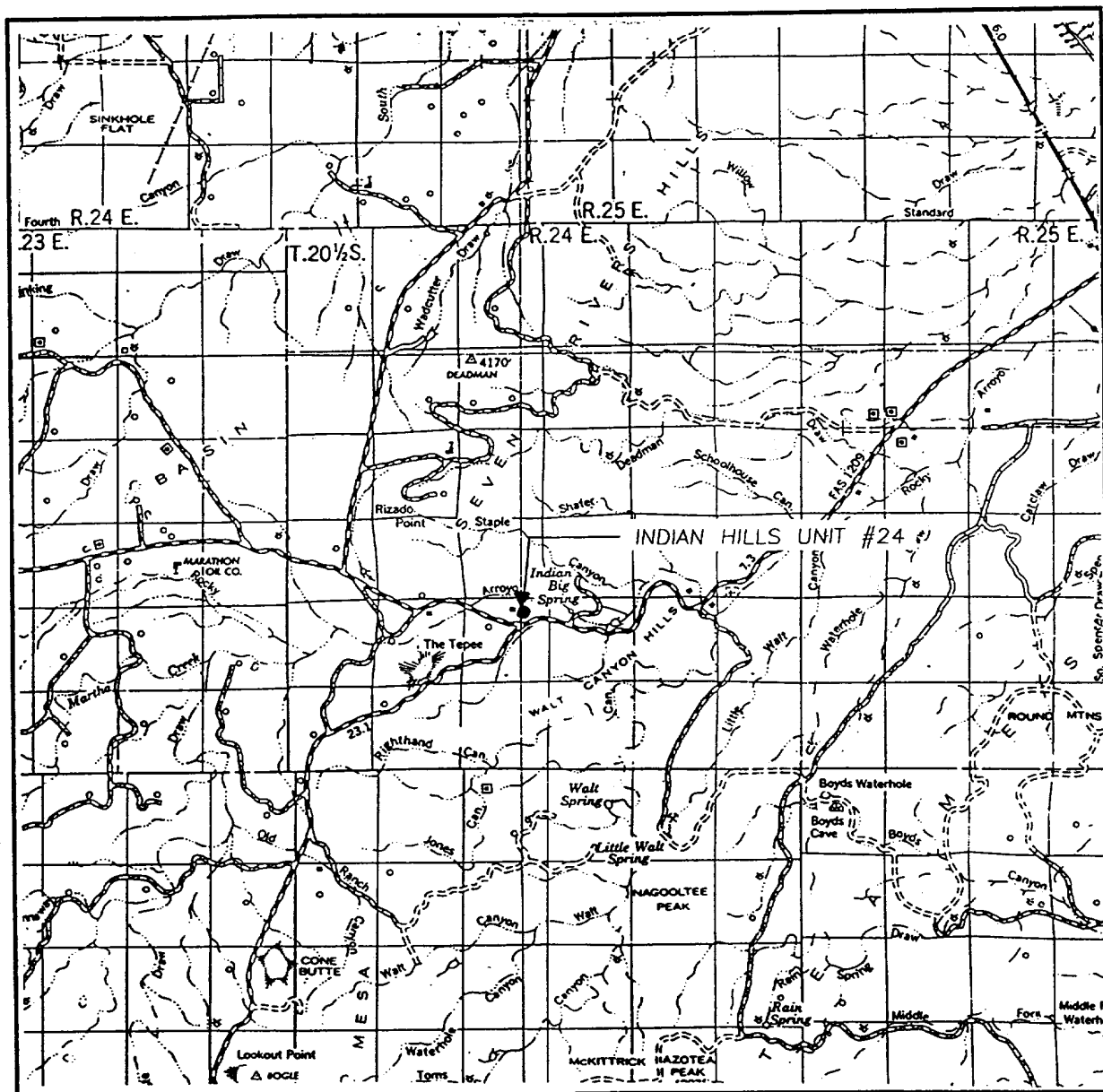
JUNE 13, 2000

Date Surveyed _____ DC

Signature & Seal of Professional Surveyor

RONALD J. EIDSON
00411-0746

Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641
WACONIA McDONALD 12185

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 28 TWP. 21-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 685' FNL & 2073' FEL

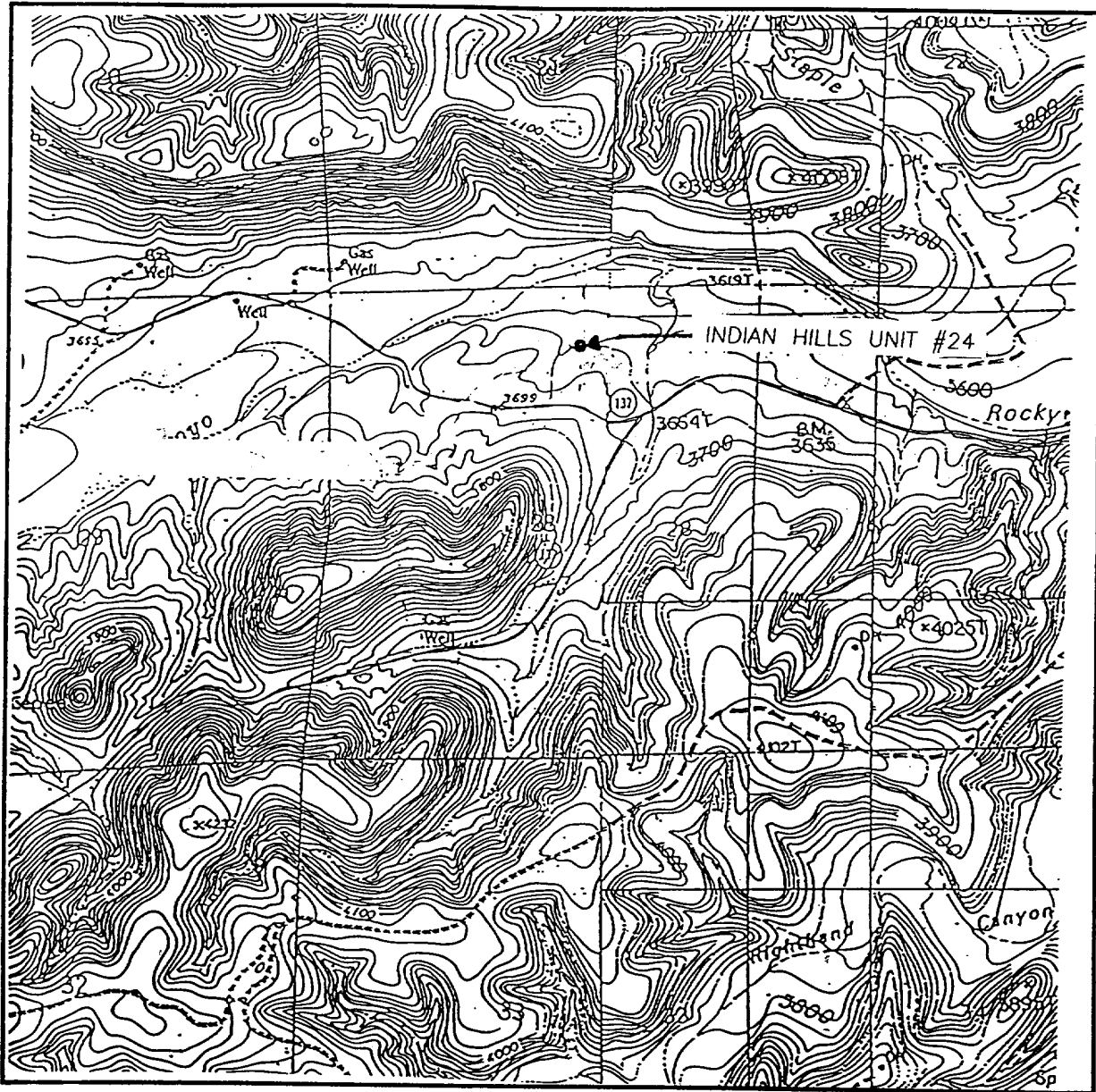
ELEVATION 3658

OPERATOR MARATHON OIL COMPANY

LEASE INDIAN HILLS UNIT

**JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505 393-3117)**

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
AZOTEA PEAK - 20'
MARTHA CREEK - 20'

SEC. 28 TWP. 21-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 685' FNL & 2073' FEL

ELEVATION 3658

OPERATOR MARATHON OIL COMPANY

LEASE INDIAN HILLS UNIT

U.S.G.S. TOPOGRAPHIC MAP

AZOTEA PEAK, MARTHA CREEK, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505 393-3117)

